

they received a premium of twelve and a half dollars, on each one hundred dollars of six per cent stock contracted for.

Considering this to be an unpropitious time to sell the state stock, they concluded to postpone negotiating any further loans, until July following, believing that the amount then contracted for, would be sufficient for the time being, to meet all the requirements of the state improvements, then in progress. Of the loan then contracted, they transferred, at once, from New York, five hundred thousand dollars, to the United States Bank of Pennsylvania, in the city of Philadelphia, on which a premium of 3 per cent, was received. This same fund was transferred to Ohio, by the Commercial Bank of Cincinnati, at a premium of 3 1/4-100 per cent, making an entire premium on this amount of the loan in New York, of 3 1/4-100 per cent. The residue of the loan in New York, was transferred to Ohio by the Lancaster Ohio Bank, at a premium of 5 1/4 per cent.

Finding it necessary in July, to make a further loan, the Commissioners met in New York on the 25th of that month, and on the 11th of August ensuing, they contracted with the Ohio Life Insurance and Trust Company, at Cincinnati, for a loan of one million of dollars, at a premium of eight dollars thirty-seven and a half cents on each one hundred dollars of six per cent stock contracted. At the same date they contracted with the Lancaster Ohio Bank for a loan of one hundred thousand dollars, on which a similar premium was received. They also contracted with Gustavus Swan, Esq., of Columbus, for a loan of ten thousand dollars, at a like premium. They further negotiated a loan of one hundred thousand dollars, with the Commercial Bank of Lake Erie, on which a premium was received of eight and a half dollars on each one hundred dollars, of six per cent stock. The aggregate premiums on the entire loans contracted for the present year, amount to one hundred and ninety-two thousand nine hundred and sixty-nine 50-100 dollars. The funds obtained by these several loans, were appropriated as follows: To the Wabash and Erie Canal, seven hundred thousand dollars, with the premium accruing thereon. To the extension of the Miami Canal north of Dayton, three hundred thousand dollars, with the premium received on the same. To the Pennsylvania and Ohio Canal, eighty thousand dollars; and the residue, after appropriating one hundred and ninety-four thousand dollars, for the payment of interest in New York, the coming January, has been expended in other Canal improvements in this state, with the exception of thirty-two thousand four hundred and eighty-three 50-100 dollars, which has been paid for road purposes, under the provisions of the general improvement law, passed March 24th, 1837.

The following subscriptions have been made by the state, to incorporated companies, under the act of the 24th of March, 1837, since the last annual message.

To the Steubenville, Cadiz and Cambridge McAdamized Road Company,	\$36,500
To the Batavia Turnpike and Miami Bridge Company,	20,250
To the Goshen, Wilmington and Columbus Turnpike Company,	60,850
To the Urbana, Troy and Greenville Turnpike Company, (under special act)	50,000
To the Dayton, Cincinnati and Lebanon Turnpike Company,	54,950
To the Dayton and Springfield Turnpike Company,	62,000
To the Zanesville and Maysville Turnpike Company,	276,025
To the Cincinnati and Whitewater Canal Company,	150,000
To the Ohio Turnpike Company,	55,000
To the Cincinnati, Lebanon and Springfield Turnpike Company, in addition to former subscriptions,	15,400
To the Milford and Chillicothe Turnpike Company, in addition to former subscriptions,	63,500

Making in the aggregate, \$254,975. It is believed that abuses exist in the demand of the governor of one state upon another, under the constitution and laws of the United States, for the surrender of fugitives from justice, that calls for legislative interposition. The constitution and laws of the United States on this subject are positive in their injunctions, and general in their provisions; leaving it to state legislatures to make such criminal enactments as may be necessary, within their own territory. In the State of New York, it is a criminal offence to obtain goods under false pretences. The policy of this law is not now under examination, but it will at once be seen, that it is liable to be made the instrument of the most tyrannical exactions; and it is believed, that in more instances than one, illegal demands have been fully carried out. A man, for instance, purchases goods in Buffalo, removes them to Ohio or Michigan, and is not able to meet the payments as they fall due. The creditor, fearing that he is about to lose his debt, works himself into the belief that he can safely swear before a grand jury, that they have been obtained under false pretences; as the man has not strictly complied with his engagements; a bill of indictment is found, the governor makes his requisition and appoints his agent; the papers are all in due form, and the person is arrested under the warrant of the governor upon whom the requisition is made; and then comes a proposition for a compromise, which must be complied with at any sacrifice by the person arrested, or his friends, or he must be tried, and perhaps, convicted of an offence that he never intended to commit.

This is only one class of cases. There are others, which I need not enumerate, in which the agent always comes with authority from the prosecutor to compromise the alleged crime at a stipulated price. I would therefore respectfully submit, whether the protection of our citizens from fraudulent exactions, does not make it necessary to pass a law to make it a criminal offence to compromise a case, where the person had been arrested on the warrant of the governor, for the violation of the laws of a sister state, as the best means of checking this dangerous and growing evil.

There is still another class of cases under the same provisions of the constitution, that is of a more deliberate and alarming character. On the 6th of September I issued a warrant, under the requisition of the Governor of the Commonwealth of Kentucky, for the arrest and delivery to the authorities of that state of John B. Mahan, of Brown county, charged on two indictments found in the county of Mason, in that commonwealth, with the crime of "aiding and assisting certain slaves, the property of said William Greathouse, to make their escape from the possession of him the said William Greathouse out of and beyond the state of Kentucky." As this case has caused considerable political excitement, I feel that it is due to myself and to the character of the state which has brought me with the station I now

hold, that my views and opinions on this important subject should be made known to the people's representatives, in order that they may take such steps in the premises as will best secure the peace and tranquility of our border population, and the rights of individuals in the adjoining states.

I hold that the Constitution of the United States is to be obeyed by all as the supreme law of the land; and that it would be as unwarrantable an act in an "Executive officer" to refuse to deliver up a person charged with the crime of enticing a slave from the service of his master, upon the presentation of proper papers, under the demand of a Governor of a sister state, as it is to deny the right of petition, and the freedom of speech, and of the press, to the humblest individual in the United States. All are constitutional rights, guaranteed by the same instrument, and of equal obligation. And as I am for sustaining that instrument as it is, I have not considered it my duty to set up my opinions of abstract right, in disregard of its solemn and positive injunctions. I consider the Constitution of the United States as the ark of our political safety, and whenever we shall reject its commands, all is put at hazard and uncertainty, and our whole population subjected to convulsions, anarchy, and civil war.

We are also equally bound by a subsequent clause in the same instrument to deliver up those who are held to service or labor by the laws of any state, and who shall escape into our territory, upon the claim of the party to whom such service or labor may be due; and as it is desirable that the peace and harmony that we have always existed between the people of Ohio and the people of our sister states of Virginia and Kentucky, by which we are bound, and whose laws secure to them the service and labor above alluded to, should continue and be perpetuated; it becomes a high duty of the people of this state to adhere to the demands of the Constitution, and refrain from all interference with the domestic institutions of our neighbor states.

And when we reflect that this instrument was the result of concession and compromise by the fathers of the republic, to secure to their descendants the blessings of liberty, union, and repose, we cannot doubt the fidelity of the people of Ohio to all its obligations and demands.

Under the present aspect of the times, our Militia system should claim a share of your consideration. I understand that, within the last year, a more spirited feeling prevailed, and that an improved organization has been effected; but it requires a reorganization of the system to render our militia what it should be, the bulwark of our country. The present laws are very defective in all branches of the service.

We have no provision for an Ordinance Department or arsenal, and the arms of the state, as soon as received from the United States, are under the control of the Quartermaster General, whose responsibility ceases as soon as they are delivered to the commandants of divisions. After this, there is no accountability until they are placed in the hands of captains of companies; and even when this is done there is no record, bond, or evidence of accountability known at head quarters. The captains of companies receiving arms, are frequently promoted, resign, remove, or from other causes, are not in command. Their successors give no bond; and, in a short time several changes of this kind take place in the same company; and when, at last, it is ascertained that the public arms are missing or damaged, it is impossible to affix upon any one a legal accountability.

These arms are furnished to the states at an annual expense, to the United States, of \$200,000, and are intended, ultimately, to arm the whole body of the militia of the Union; but each state can direct the time and manner of their distribution. A revision of our military code is recommended to your consideration. In closing this communication, permit me to say that, whatever may be the abstract theories of politicians relative to subjects that now divide the people of this country, yet we are all embarked in the same bottom, identified in the same interest, and destined to the same port. And although we of Ohio are strictly an agricultural people, and less liable to be embarrassed by the fluctuations of trade than our commercial and manufacturing sister states, yet if we suppose that our prosperity will continue, unsupported and separated from these great national interests, we labor under a most palpable and fatal delusion. There is no state in the Union that has a more deep and abiding interest in the maintenance of commercial enterprise and manufacturing industry, than that of Ohio. It is commercial enterprise that has placed us in our present easy and enviable condition, and has pushed the productions of our soil into almost every portion of the civilized world. It is manufacturing and mechanical pursuits that have diverted the labor of our sister states, and made them the purchasers and consumers of the products of our soil, instead of rivals and opponents; and he that would sever these great national interests, by arraying one class of the community against another, by scattering the seeds of discord and jealousy amongst the people, is neither people's friend, nor the friend of the constitution and union of these States.

That our people may be prosperous and happy in their occupations and employments, and our state continue to be the home of the honest, the virtuous, and the enterprising, and the asylum of the unfortunate and the destitute, is the sincere wish of

Your fellow-citizen,  
**JOSEPH VANCE.**  
Columbus, December 4 1838.

**GENERAL ASSEMBLY.**  
The branches of the Legislature organized yesterday morning, by the election of Mr. HAWKINS, of Perry, Morgan, and Washington, Speaker of the Senate, and JAMES J. FARAN, of Hamilton, Speaker of the House.

In the Senate, a Mr. Mc NULTY, who edits a Locofoco paper some where up north, and in the House, a Mr. BLOOMER, likewise of the fraternity, whilom a Whig, but now receiving the "thirde" of a laborer in the Locofoco ranks, were chosen Clerks.

THOMAS W. MANSFIELD, Postmaster at Tolly [do you hear that, Amos?] was elected Door-keeper. This same Mr. Mansfield was an unsuccessful candidate for a seat in the Senate, in the Miami, Darke and Mercer district. He appears to have genius for almost any calling. He is, perhaps, like the man in one of the north-western counties, who avowed his willingness "to serve the People in any station—honorable or dishonorable!"

All the members were in attendance, with the exception of Mr. Vannatter of the Senate, and Mr. William Andrews of the House—both Whigs.

There is not a more distinguished object in the world than a vulgar, ignorant person, in the possession of wealth, and making use of his golden influence to oppress the poor, who are in every respect his superiors.

## PRESIDENT'S MESSAGE.

*Fellow Citizens of the Senate,*

*and of the House of Representatives:*  
I congratulate you on the favorable circumstances in the condition of our country, under which you assemble for the performance of your official duties. Though the anticipations of an abundant harvest have not yet been realized, yet, on the whole, the labors of the husbandman are rewarded with a bountiful return; industry prospers in its various channels of business and enterprise; general health again prevails through our vast diversity of climate; nothing threatens, from abroad, the continuance of external peace; nor has any thing at home impaired the strength of those fraternal and domestic ties which constitute the only guaranty to the success and permanency of our happy Union, and which, formed in the hour of peril, have hitherto been honorably sustained through every vicissitude in our national affairs. These blessings, which evince the care and beneficence of Providence, call for our devout and fervent gratitude.

We have not less reason to be grateful for other bounties bestowed by the same munificent hand, and more exclusively our own.

The present year closes the first half century of our federal institutions; and our system—differing from all others in the acknowledged practical and unlimited operation which it has for so long a period given to the sovereignty of the people—has now been fully tested by experience.

The constitution devised by our forefathers as the frame-work and bond of that system, then untried, has become a settled form of government; not only preserving and protecting the great principles upon which it was founded, but wonderfully promoting individual happiness and private interests. Though subject to change and entire revocation, whenever deemed inadequate to all these purposes, yet so stable has been the public sentiment, that it remains unaltered, except in matters of detail, comparatively unimportant. It has proved amply sufficient for the various emergencies incident to our condition as a nation. A formidable foreign war; agitating collisions between domestic and, in some respects, rival sovereignties; temptations to interfere in the intestine commotions of neighboring countries; the dangerous influences that arise in periods of excessive prosperity; and the anti-republican tendencies of associated wealth—these, with other trials not less formidable, have all been encountered, and thus far successfully resisted.

It was reserved for the American Union to test the Government entirely dependent on the continual exercise of the popular will; and our experience has shown that it is as beneficent in practice as it is just in theory. Each successive change made in our local institutions has contributed to extend the right of suffrage, has increased the direct influence of the mass of the community, given greater freedom to individual exertion, and restricted, more and more, the powers of Government; yet the intelligence, prudence, and patriotism of the people have kept pace with this augmented responsibility. In no country has education been so widely diffused. Domestic peace has nowhere so largely reigned. The close bonds of social intercourse have in no instance prevailed with such harmony over a space so vast. All forms of religion have united, for the first time, to diffuse charity and piety, because, for the first time in the history of nations, all have been totally untrammelled, and absolutely free.

The deepest recesses of the wilderness have been penetrated; yet, instead of the rudest scenes in the social condition consequent upon such adventures elsewhere, numerous communities have sprung up, already unrivalled in prosperity, general intelligence, internal tranquility, and the wisdom of their political institutions. Internal improvement, the fruit of individual enterprise, fostered by the protection of the States, has added new links to the confederation and fresh rewards to provident industry. Doubtful questions of domestic policy have been quietly settled by mutual forbearance; and agriculture, commerce, and manufactures minister to each other. Taxation and public debt, the burdens which bear so heavily upon all other countries, have pressed with comparative lightness upon us. Without one entangling alliance, our friendship is prized by every nation; and the rights of our citizens are every where respected, because they are known to be guarded by a united, sensitive, and watchful people.

To this practical operation of our institutions, so evident and successful, we owe that increased attachment to them which is among the most cheering exhibitions of popular sentiment, and will prove their best security in time to come, against foreign or domestic assault.

This review of the results of our institutions, for half a century, without exciting a spirit of vain exultation, should serve to impress upon us the great principles from which they have sprung; constant and direct supervision by the people over every public measure; strict forbearance on the part of the Government from exercising any doubtful or disputed powers; and a cautious abstention from all interference with concerns which properly belong, and are best left to State regulations and individual enterprise.

Full information of the state of our foreign affairs having been recently, on two different occasions, submitted to Congress, I deem it necessary now to bring to your notice only such events as have subsequently occurred, or of such a local importance as to require particular attention.

The most amicable dispositions continue to be exhibited by all the nations with whom the Government and citizens of the United States have an habitual intercourse. At the date of my last annual message, Mexico was the only nation which could not be included in so gratifying a reference to our foreign relations.

I am happy to be now able to inform you that an advance has been made towards the adjustment of our difficulties with that Republic, and the restoration of the customary good feeling between the two nations. This important change has been effected by conciliatory negotiations, that have resulted in the conclusion of a treaty between the two Governments, which, when ratified, will refer to the arbitration of a friendly power all the subjects of controversy between us growing out of injuries to individuals. There is, at present, also reason to believe that an equitable settlement of all disputed points will be attained without further difficulty or unnecessary delay, and thus authorize the free resumption of diplomatic intercourse with our sister Republic.

With respect to the northeastern boundary of the United States, no official correspondence between this Government and that of Great Britain has passed since that communicated to Congress towards the close of their last session. The offer to negotiate a convention for the appointment of a joint commission of sur-

vay and exploration, I am, however, assured will be met by Her Majesty's Government in a conciliatory and friendly spirit, and instructions to enable the British Minister here to conclude such an arrangement will be transmitted to him without needless delay. It is hoped and expected that these instructions will be of a liberal character, and that this negotiation, if successful, will prove to be an important step towards the satisfactory and final adjustment of the controversy.

I had hoped that the respect for the laws and regard for the peace and honor of their own country, which has ever characterized the citizens of the United States, would have prevented any portion of them from using any means to promote insurrection in the territory of a power with which we are at peace, and with which the United States are desirous of maintaining the most friendly relations. I regret deeply, however, to be obliged to inform you that this has not been the case. Information has been given to me, derived from official and other sources, that many citizens of the United States have associated together to make hostile incursions from our territory into Canada, and to aid and abet insurrection there, in violation of the obligations and laws of the United States, and in open disregard of their own duties as citizens. This information has been given to me, derived from official and other sources, that many citizens of the United States have associated together to make hostile incursions from our territory into Canada, and to aid and abet insurrection there, in violation of the obligations and laws of the United States, and in open disregard of their own duties as citizens. This information has been given to me, derived from official and other sources, that many citizens of the United States have associated together to make hostile incursions from our territory into Canada, and to aid and abet insurrection there, in violation of the obligations and laws of the United States, and in open disregard of their own duties as citizens.

The results of these criminal assaults upon the peace and order of a neighboring country have been, as was to be expected, fatally destructive to the misguided or deluded persons engaged in them, and highly injurious to those in whose behalf they are professed to have been undertaken. The authorities in Canada, from intelligence received of such intended movements among our citizens, have felt themselves obliged to take precautionary measures against them; have embodied the militia, and assumed an attitude to repel the invasion to which they believed the Colonies were exposed from the United States. A state of feeling on both sides of the frontier has thus been produced, which called for prompt and vigorous interference. If an insurrection exists in Canada, the amicable dispositions of the U. States towards Great Britain, as well as their duty to themselves, would lead them to maintain a strict neutrality, and to restrain their citizens from all violations of the laws which have been passed for its enforcement. But this Government recognizes a still higher obligation to repress all attempts on the part of its citizens to disturb the peace of a country where order prevails or has been re-established. Depredations by our citizens upon nations at peace with the United States, and combinations for committing them, have at all times been regarded by the American Government and people with the greatest abhorrence. Military incursions by our citizens into countries so situated, and the commission of acts of violence on the members thereof, in order to effect a change in its government, or under any pretext whatever, have, from the commencement of our Government, been held equally criminal on the part of those engaged in them, and as much deserving of punishment as would be the disturbance of the public peace by the perpetration of similar acts within our own territory.

By no country or persons have these inviolable principles of international law—principles, the strict observance of which is so indispensable to the preservation of social order in the world—been more earnestly cherished or sacredly respected than by those great and good men who first declared, and finally established, the independence of our own country. They promulgated and maintained them at an early and critical period in our history; they were subsequently embodied in legislative enactments of a highly penal character; the faithful enforcement of which has hitherto been, and will, I trust, always continue to be, regarded as a duty inseparably associated with the maintenance of our national honor. That the people of the United States should feel an interest in the spread of political institutions as free as they regard their own to be, is natural; nor can a sincere solicitude for the success of all those who are, at any time, in good faith struggling for their acquisition, be imputed to our citizens as a crime. With the entire freedom of opinion, and an undisguised expression thereof, on their part, the Government has neither the right, nor I trust, the disposition to interfere. But whether the interest or the honor of the United States require, that they should be made a party to any such struggle, and, by inevitable consequence, to the war which is waged in its support, is a question which, by our constitution, is wisely left to Congress alone to decide. It is, by the laws, already made criminal in our citizens to embarrass or anticipate that decision, by unauthorized military operations on their part. Offences of this character, in addition to their criminality as violations of the laws of our country; have a direct tendency to draw down upon our own citizens at large the multiplied evils of a foreign war, and expose to injurious imputations the good faith and honor of the country. As such they deserve to be put down with promptitude and decision. I cannot be mistaken, I am confident, in counting on the cordial and general concurrence of our fellow-citizens in this sentiment. A copy of the proclamation which I have felt it my duty to issue, is herewith communicated. I cannot but regard that the good sense and patriotism, the regard for the honor and reputation of their country, the respect for the laws which they have themselves enacted for their own government, and the love of order for which the mass of our people have been so long and so justly distinguished, will deter the comparatively few who are engaged in them from a further prosecution of such desperate enterprises. In the mean time, the existing laws have been, and will continue to be, faithfully executed; and every effort will be made to carry them out in their full extent. Whether they are sufficient or not, to meet the actual state of things on the Canadian frontier, it is for Congress to decide.

It will appear from the correspondence herewith submitted, that the Government of Russia declines a renewal of the fourth article of the convention of April, 1824, between the United States and His Imperial Majesty, by the third article of which it is agreed that "hereafter there shall not be formed by the citizens of the United States, or under the authority of the said States, any establishment upon the northwest coast of America, nor in any of the islands adjacent, to the north of 54° 40' of north latitude; and that in the same manner there shall be none formed by Russian subjects, or under the authority of Russia, south of the same parallel;" and by the fourth article, "that, during a term of ten years, counting from the signature of the present convention, the ships of both powers, or which be-

long to their citizens or subjects respectively, may, reciprocally frequent, without any hindrance whatever, the interior seas, gulfs, bays, and creeks, upon the coast mentioned for the purpose of fishing and trading with the natives of the country." The reasons assigned for declining to renew the provisions of this article, are, briefly, that the only use made by our citizens of the privilege it secures to them, has been to supply the Indians with spirituous liquors, ammunition, and fire-arms; that this traffic has been excluded from the Russian trade; and as the supplies furnished from the United States are injurious to the Russian establishments on the northwest coast, and calculated to produce complaints between the two Governments, His Imperial Majesty thinks it for the interest of both countries not to accede to the proposition made by the American Government for the renewal of the article last referred to.

The correspondence herewith communicated will show the grounds upon which we contend that the citizens of the United States have, independent of the provisions of the convention of 1824, a right to trade with the natives upon the coast in question, at unoccupied places, liable, however, to be admitted, to be at any time extinguished by the creation of Russian establishments at such points. This right is denied by the Russian Government, which asserts that, by the operation of the treaty of 1824, each party agreed to waive the general right to land on the vacant coasts on the respective sides of the degree of latitude referred to, and accepted, in lieu thereof, the mutual privilege mentioned in the fourth article. The capital and tonnage employed by our citizens in trade with the northwest coasts of America, will, perhaps, on advertising to the official statements of the commerce and navigation of the United States for the last few years, be deemed too inconsiderable in amount to attract much attention; yet the subject may, in other respects, deserve the careful consideration of Congress.

I regret to state that the blockade of the principal ports on the eastern coast of Mexico, which, in consequence of differences between that Republic and France, was instituted in May last, unfortunately still continues, enforced by a competent French naval force, and is necessarily embarrassing to our own trade in the gulf, in common with that of other nations. Every disposition, however, is believed to exist on the part of the French Government, to render this measure as little onerous as practicable to the interests of the citizens of the United States, and to those of neutral commerce; and it is to be hoped that an early settlement of the difficulties between France and Mexico, will soon re-establish the harmonious relations formerly subsisting between them, and again open the ports of that Republic to the vessels of all friendly nations.

A convention for marking that part of the boundary between the United States and the Republic of Texas, which extends from the mouth of the Sabine to the Red river, was concluded and signed at this city on the 25th of April last. It has since been ratified by both Governments; and reasonable measures will be taken to carry it into effect on the part of the United States.

The application of that Republic for admission into this Union, made in August, 1837, and which was declined for reasons already made known to you, has been formally withdrawn, as will appear from the accompanying copy of the note of the Minister Plenipotentiary of Texas, which was presented to the Secretary of State on the occasion of the exchange of the ratifications of the convention above mentioned.

Copies of the convention with Texas, of a commercial treaty concluded with the King of Greece, and of a similar treaty with the Peruvian Confederation, the ratifications of which have been recently exchanged, accompany this message for the information of Congress, and for such legislative enactments as may be found necessary or expedient, in relation to either of them.

To watch over and foster the interests of a gradually increasing and widely extended commerce; to guard the rights of American citizens, whom business, or pleasure, or other motives may tempt into distant climes, and at the same time to cultivate those sentiments of mutual respect and good will which experience has proved so beneficial in international intercourse, the Government of the United States has deemed it expedient, from time to time, to establish diplomatic connections with different foreign states, by the appointment of representatives to reside within their respective territories. I am gratified to be enabled to announce to you that, since the close of your last session, these relations have been opened under the happiest auspices with Austria and the Two Sicilies; that new nominations have been made in the respective missions of Russia, Brazil, Belgium, and Sweden and Norway, in this country; and that a Minister Extraordinary has been received, accredited to this Government from Argentine Confederation.

An exposition of the fiscal affairs of the Government, and of their condition for the past year, will be made to you by the Secretary of the Treasury.

The available balance in the Treasury, on the 1st of January next, is estimated at \$2,765,512. The receipts of the year, from customs and lands, will probably amount to \$20,615,598. These usual sources of revenue have been increased by an issue of Treasury notes; of which less than eight millions of dollars, including interest and principal, will be outstanding at the end of the year, and by the sale of one of the bonds of the bank of the United States, for \$2,254,871. The aggregate of means from these and other sources, with the balance on hand on the 1st of January last, has been applied to the payment of appropriations by Congress. The whole expenditure for the year on their account, including the redemption of more than eight millions of Treasury notes, constitutes an aggregate of about forty millions of dollars, and will still leave in the Treasury the balance before stated.

Nearly eight millions of dollars of Treasury notes are to be paid during the coming year, in addition to the ordinary appropriations for the support of the Government. For both these purposes, the resources of the Treasury will undoubtedly be sufficient, if the charges upon it are not increased beyond the annual estimates. No excess, however, is likely to exist; nor can the postponed instalment of the surplus revenues be deposited with the state, nor any considerable appropriations beyond the estimates be made, without causing a deficiency in the Treasury. The great caution, advisable at all times, of limiting appropriations to the wants of the public service, is rendered necessary at present by the prospective and rapid reduction of the tariff; while the vigilant jealousy, evidently excited among the people by the occurrences of the last few years, assures us that they expect from their representatives, and will sustain them in the exercise of the most rigid economy. Much can be effected by

postponing appropriations not immediately required for the ordinary public service, or for any pressing emergency; and much by reducing the expenditures where the entire and immediate accomplishment of the objects in view is not indispensable.

When we call to mind the recent and extreme embarrassments produced by excessive issues of bank paper, aggravated by the unforeseen withdrawal of much foreign capital, and the inevitable derangement arising from the distribution of the surplus revenue among the States as required by Congress; and consider the heavy expenses incurred by the removal of Indian tribes; by the military operations in Florida; and on account of the unusually large appropriations made at the last two annual sessions of Congress for other objects; we have striking evidence, in the present efficient state of our finances, of the abundant resources of the country to fulfil all its obligations. Nor is it less gratifying to find that the general business of the community, deeply affected as it has been, is reviving with additional vigor, chastened by the lessons of the past, and animated by the hopes of the future. By the curtailment of paper issues; by curbing the sanguine and adventurous spirit of speculations; and by the honorable application of available means to the fulfilment of obligations, confidence has been restored, both at home and abroad, and ease and facility secured to all the operations of trade.

The agency of the Government in producing these results has been as efficient as its powers and means permitted. By withholding from the States the deposits of the fourth instalment and leaving several millions at long credits with the banks, principally in one section of the country, and more immediately beneficial to it; and, at the same time, aiding the banks and commercial communities in other sections, by postponing the payment of bonds for duties to the amount of between four and five millions of dollars; by an issue of Treasury notes as a means to enable the Government, to meet the consequences of their indulgences, but affording, at the same time, facilities for remittance and exchange; and by steadily declining to employ as general depositories of the public revenues, or receive the notes of all banks which refused to redeem them with specie; by these measures, aided by the favorable action of some of the banks, and by the support and co-operation of a large portion of the community; we have witnessed an early resumption of specie payments in our great commercial capital promptly followed in almost every part of the United States. This result has been alike salutary to the true interests of agriculture, commerce, and manufactures; to public morals, respect to the laws, and that confidence between man and man which is so essential in our social relations.

The contrast between the suspension of 1814 and that of 1837 is most striking. The short duration of the latter; the prompt restoration of business; the evident benefits resulting from an adherence by the Government to the constitutional standard of value, instead of sanctioning the suspension by the receipt of irredeemable paper, and the advantages derived from the large amount of specie introduced into the country previous to 1837, afford a valuable illustration to the true policy of the Government in such a crisis. Nor can the comparison fail to remove the impression that a national bank is necessary in such emergencies. Not only were specie payments resumed without its aid, but exchanges have also been more rapidly restored than when it existed, thereby showing that private capital, enterprise, and prudence are fully adequate to these ends. On all these points experience seems to have confirmed the views heretofore submitted to Congress. We have been saved the mortification of seeing the distresses of the community for the third time seized on to fasten upon the country so dangerous an institution; and we may also hope that the business of individuals will hereafter be relieved from the injurious effects of a continued agitation of that disturbing subject. The limited influence of a national bank in averting derangement in the exchanges of the country, or in compelling the resumption of specie payments, is now not less apparent than its tendency to increase inordinate speculation by sudden expansions and contractions; its disposition to create panic and embarrassment for the promotion of its own designs; its interference with politics; and its far greater power for evil than for good, either in regard to the local institutions or the operations of Government itself. What was in these respects but apprehension or opinion when a national bank was first established, now stands confirmed by humiliating experience. The scenes through which we have passed conclusively prove how little our commerce, agriculture, manufactures, or finances, require such an institution, and what dangers are attendant on its power—a power, I trust, never to be conferred by the American people upon their Government, and still less upon individuals not responsible to them for its unavoidable abuses.

My conviction of the necessity of further legislative provisions for the safe keeping and disbursement of the public moneys, and my opinion in regard to the measures best adapted to the accomplishment of those objects, have been already submitted to you. These have been strengthened by recent events; and, in the full conviction that time and experience must still further demonstrate their propriety, I feel it my duty, with respectful deference to the conflicting views of others, again, to invite your attention to them.

With the expectation of limited sums deposited in the few banks still employed under the act of 1835, the amounts received for duties, and with very inconsiderable exceptions, those accruing from lands sales, have, since the general suspension of specie payments by the deposit banks, been kept and disbursed by the Treasurer, under his general legal powers, subject to the superintendence of the Secretary of the Treasury. The propriety of defining more specifically, and of regulating by law, the exercise of this wide scope of Executive discretion, has been already submitted to Congress.

A change in the office of collector at one of our principal ports, has brought to light a falsification of the graves character, the particulars of which will be laid before you in a special report from the Secretary of the Treasury. By his report and the accompanying documents, it will be seen that the weekly returns of the defaulting officer apparently exhibited, throughout, a faithful administration of the affairs intrusted to his management. It is, however, now apparent that he commenced abstracting the public money shortly after his appointment, and continued to do so, progressively increasing the amount, for the term of more than seven years, embracing a portion of the period during which the public moneys were deposited in the Bank of the United States, the whole of that of the State bank deposit system, and concluding only on his retirement from office, after that system had substantially failed, in consequence of the suspension of specie payments.